

Message Text

UNCLASSIFIED

PAGE 01 STATE 130282

10

ORIGIN EA-14

INFO OCT-01 ISO-00 CG-00 DOTE-00 PRS-01 CIAE-00 INR-10

NSAE-00 RSC-01 SS-20 /047 R

DRAFTED BY EA/P:STAFF:PP

APPROVED BY EA/P:WMAGRUDER

----- 074090

R 182209Z JUN 74

FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

TREASURY

USSAGE NKP

CINCPAC

COGARD POLAD

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

UNCLAS STATE 130282

COGARD FOR POLAD

E.O. 11652:N/A

TAGS: PFOR, XC, US

SUBJECT: JUNE 18 EA PRESS SUMMARY

INDOCHINA

1. COMMUNIST DELEGATES WALK OUT ON JMC AND JMT. VC
SPOKESMAN SAYS GVN REJECTED PROPOSALS FOR DEFINING
DIPLOMATIC PRIVILEGES AND IMMUNITIES OF COMMUNIST
DELEGATIONS. US EMBASSY STATEMENT CALLS ACTION "CYNICAL,"
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 130282

BLAMES INEFFECTIVENESS OF C-F ON NVN AND "SO-CALLED"

PRG; SAYS COMMUNISTS REFUSED TO DISCUSS MIA QUESTION UNTIL THEIR DEMAND FOR "VAST EXTENSION" OF PRIVILEGES AND IMMUNITIES IS AGREED TO BY GVN (REUTER, AP SAIGON).

2. GKR RADIO REPORTS AGREEMENT ON NEW 15-MEMBER CABINET TO REPLACE COALITION THAT RESIGNED LAST WEEK. CABINET EXCLUDES MEMBERS FROM SIRIK MATAK'S REPUBLICAN PARTY, BUT LON NOL AGREES TO ENLARGE EXECUTIVE COUNCIL TO INCLUDE "SEVERAL" REPUBLICANS (CSM). CHITRIB'S KIRK POINTS OUT THAT AS CAMBODIAN LEADERS WRANGLLED OVER NEW CABINET, COMMUNIST SOLDIERS FOUGHT ONLY DOZEN MILES FROM PP. SAYS LATEST "GAME OF POLITICAL MUSICAL CHAIRS" ENDS WITH LEADING OPPOSITION PARTY REFUSING "TO JOIN IN THE DANCE." UPSHOT IS THAT LON NOL ANNOUNCES NEW CABINET THAT INCLUDES MEMBERS OF HIS OWN PARTY, PLUS TWO GENERALS AND SEVEN "POLITICALLY SYMPATHETIC

'INDEPENDENTS'." COMMENTS THAT ENDING TO LATEST IN SERIES OF SHUFFLES SINCE SIHANOUK OUSTER IS TYPICALLY WEARISOME, BUT NEW CABINET REFLECTS SOME DEGREE OF POLITICAL STABILITY SINCE LONG BORET STAYS ON AS PREMIER. BUT KIRK WONDERS HOW EFFECTIVELY GKR CAN FUNCTION WHILE INFLUENTIAL KHMERS STRONGLY OPPOSE IT IN PP; OPINES THAT MAJOR FACTOR IN GKR MIL WEAKNESS IS INABILITY OF LEADERS TO UNITE BEHIND LON NOL.

3. MIL SOURCES REPORTED MONDAY THAT GKR SUFFERED SERIOUS REVERSES IN LAST WEEK'S FIGHTING, WITH ABOUT 600 KIA, WIA OR MIA (CSM). FIELD REPORTS SAY GKR TROOPS KILL OVER 100 INSURGENTS TUESDAY IN FIGHTING 11 MILES NORTH OF PP, IN 3000-MAN DRIVE TO RELIEVE BESIEGED POSITIONS AT LONG VEK (UPI, NYT; WP). GKR REPORTEDLY SUFFERS 13 KIA IN DAY-LONG FIGHT NEAR ROUTE 5, PP'S LINK TO RICE-GROWING AREAS; 23 REBELS, MOSTLY TEEN-AGERS, REPORTED CAPTURED (UPI, NYT).

4. REP. ASPIN RELEASES GAO REPORT THAT STATES ADMIN. EXCEEDED 1972 CEILING ON LAOS AID BY 28 MILLION DOLS, AND DOS DID NOT REPORT IT THOUGH RESPONSIBLE FOR IMPLEMENTING CEILING. ADDITIONAL SPENDING WAS FOR UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 130282

TRANSPORT OF AID MATERIALS BY DOD AND CIA. ASPIN SAYS OMB SHOULD ASSUME RESPONSIBILITY FOR IMPLEMENTING CEILING, ADDS THAT HE WILL ASK GAO TO INVESTIGATE THIS YEAR'S CEILING IN MIL AID TO SVN (S-N 6/17).

CHINA

5. MUCH ATTENTION FOCUSES ON PRC'S LOP NOR

ATMOSPHERIC NUCLEAR TEST MONDAY, DESCRIBED BY INDIAN SOURCES AS ONE-MEGATON BLAST (UPI CHITRIB, NYDN, PHINQ; CSM). AEC ALSO CONFIRMS CHINESE TEST, AND DOD'S SCHLESINGER EXPRESSES NO PARTICULAR CONCERN, SAYING TEST "SIMPLY REFLECTS THE SLOW-PACED CHINESE PROGRAM" THAT HE DESCRIBED AS DELIBERATE BUT "MODERATELY SUCCESSFUL" (AP, SUN; NYT, WP'S KOVEN). SOURCES ALSO NOTE REFUSAL BY DOS SPOKESMAN KING TO COMMENT EXCEPT TO SAY US HAS CONSISTENTLY URGED THAT ALL STATES ADHERE WITHOUT FURTHER DELAY TO 1963 TEST BAN TREATY -- WHICH, KING ADDED, APPLIES EQUALLY TO FRENCH AND CHINESE TESTS.

6. REUTER'S SHARP, IN PEKING, DECLARES THAT LATEST PRC NUCLEAR BLAST WAS "FINELY-TIMED MOVE IN TERMS OF SEVERAL OF (CHINA'S) CURRENT FOREIGN POLICY OBJECTIVES.' SAYS IT ACTS AS PROMPT RESPONSE TO LAST MONTH'S INDIAN TEST AND REASSURANCE TO PRC'S ALLIES, LIKE PAKS, WHO

FEEL THREATENED BY INDIAN BLAST. CHINESE TEST ALSO WILL TAKE SOME HEAT OF PROTEST AWAY FROM FRENCH TESTS, "WHICH CHINA TACITLY SUPPORTS"; FURTHER, WITH NIXON SUMMIT MEETING IN MOSCOW DUE SOON, CHINA "HAS EMPHATICALLY UNDERLINED ITS DETERMINATION TO BREAK" NUCLEAR MONOPOLY OF TWO SUPERPOWERS. BUT ON DEBIT SIDE, TEST WILL COST CHINA SOME GOODWILL AMONG ASIA AND PACIFIC REGION STATES WHO FEAR HEALTH THREAT FROM NUCLEAR FALL-OUT.

SHARP SAYS PRC HAS BEEN DETERRED FROM HOLDING TESTS IN PAST ON ICBM WITH 6,000-MILE RANGE, CAPABLE OF REACHING US, BY FEAR OF REPERCUSSIONS IN NEIGHBORING COUNTRIES. BUT NOW THAT INDIA HAS JOINED NUCLEAR UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 130282

CLUB, PEKING MAY REGARD THESE CONSIDERATIONS AS INVALID.

7. CSM'S ROSENTHAL REPORTS CHINESE MARTIAL ARTS TROUPE WILL SOON DEMONSTRATE 2,000-YEAR-OLD SPORT CALLED "WU SHU" IN US. GROUP IS SCHEDULED TO PERFORM JULY 4-7 AT MADISON SQUARE GARDEN CENTER AND IN OTHER LARGE CITIES ACROSS COUNTRY.

8. AFP PEKING REPORTS EIGHT NEW WALL POSTERS ON VIEW THERE MONDAY ATTACKING "CERTAIN LEADERS" OF REVOLUTIONARY COMMITTEE. SIGNED BY PEKING WORKERS AND ECHOING EXHORTATION COINED BY MAO IN 1966 -- "BOMBARD THE HEADQUARTERS" -- POSTERS REPEATED CHARGE THAT LIN PIAO'S COUNTERREVOLUTIONARY LINE STILL

EXISTS AND CALLED FOR VIGILANCE TO "UNMASK A HANDFUL OF CLASS ENEMIES" (NYT).

9. WP PEKING REPORTS CITY WALL POSTERS ATTACKING HUA KUO-FENG HAVE BEEN TORN DOWN, LESS THAN 24 HOURS AFTER THEY APPEARED. NOT KNOWN WHO REMOVED THEM; IN THEIR PLACE IS ANOTHER SET OF POSTERS ACCUSING HUNAN LEADERS OF "ATTACKING THE MASSES," BUT NOT MENTIONING HUA BY NAME.

10. REUTER'S SHARP, IN PEKING, SAYS WORD HANDED DOWN BY SENIOR PRC OFFICIALS FOLLOWING APPEARANCE OF FIRST ANTI-LEADERSHIP WALL POSTERS IN PEKING SINCE GPCR IS THAT CHINA IS IN FOR LONG HOT SUMMER POLITICALLY, WITH CURRENT WAVE OF CRITICISM AND PROTEST AGAINST SELECTED FIGURES IN LEADERSHIP LIKELY TO RISE IN COMING MONTHS. REPORTS OFFICIALS SAYING PRIVATELY THAT UPHEAVALS WILL NOT REACH SAME SCALE AS GPCR, HOWEVER; THAT CURRENT CAMPAIGN AMOUNTS TO REVIVAL OF SPIRIT OF PURE SOCIALISM ESPOUSED BY MAO.

SOURCES INSIST SITUATION WAS COMPLICATED BY CHOU'S SUDDEN ILLNESS, BUT THAT FOREIGN OBSERVERS ERRED IN JUMPING TO CONCLUSION THAT THIS MEANT CHOU WAS UNDER RADICAL PRESSURE AND THAT HIS ILLNESS WAS MORE POLITICAL THAN PHYSICAL. SHARP'S SOURCES DISCOUNT UNCLASSIFIED

UNCLASSIFIED

PAGE 05 STATE 130282

THIS, SAYING POLITBURO MEETING EARLIER THIS YEAR DECIDED CHOU SHOULD CONSERVE HIS ENERGIES BY CUTTING DOWN ON CEREMONIAL DUTIES AND CONCENTRATING ON IMPORTANT AFFAIRS OF STATE. SOURCES EXPLAIN "NEW FREEDOM" OF ALLOWING FOREIGNERS TO READ WALL POSTERS AS MEANING CHINA WANTS TO DOWNGRADE SIGNIFICANCE OF POSTERS IN FOREIGN EYES IN ORDER TO CONVINCE WORLD THAT POSTER ATTACK ON ANY LEADER DOES NOT AUTOMATICALLY MEAN HIS POLITICAL DEMISE.

11. UPI (6/17) REPORTS CHINESE OFFICIALS, UNHAPPY ABOUT QUALITY OF RECENT US CORN SHIPMENTS, HAVE CANCELLED ORDERS FOR ABOUT 48 MILLION BUSHELS OF GRAIN, WORTH ROUGHLY 140 MILLION DOLS, USDA REVEALED FRIDAY. AT SAME TIME, HOWEVER, REPORT SHOWED PRC HAS PLACED NEW ORDER FOR 22 MILLION BUSHELS OF SOYBEANS, WORTH -- AT RECENT MARKET PRICES -- ABOUT 121 MILLION DOLS. CHINA THIS YEAR HAS BECOME ONE OF LARGEST OVERSEAS CUSTOMERS FOR US FARM PRODUCTS AND IS EXPECTED TO TAKE MORE THAN 1 BILLION DOLS WORTH OF US CROPS IN 1973-74 SEASON.

12. USDA FRIDAY REPORT GAVE NO REASON FOR CHANGE IN OUTSTANDING CORN EXPORT ORDERS FOR CHINA, BUT US SOURCES CONFIRMED THAT FIGURES WERE LOWER THAN THOSE SHOWN IN PREVIOUS REPORTS BECAUSE CHINESE BUYERS HAD COMPLAINED US CORN WAS ARRIVING WITH HIGHER MOISTURE CONTENT THAN EXPECTED (S-N).

13. JOC (COMMODITY NEWS SERVICE) REPORTS US WHEAT SHIPMENTS TO PRC COULD RESUME FIRST WEEK IN JULY IF NEW EXPORT SANITATION CERTIFICATE PROGRAM IS INAUGURATED SMOOTHLY AFTER USDA WHEAT TRADE MEETING WEDNESDAY. USDA HAS INVITED EXPORTERS, WHEAT MARKET DEVELOPMENT AND PRODUCER GROUPS TO MEETING TO EXPLAIN EXPORT SANITATION CERTIFICATE AND TESTS THAT MUST BE USED ON US WHEAT MOVING TO CHINA. USDA OFFICIAL CONFIRMED AGAIN FRIDAY THAT 19.5 MILLION BUSHELS OF WHEAT STILL ON 1973-74 BOOKS FOR CHINA SHIPMENT ARE STILL EXPECTED TO BE ACCEPTED.

UNCLASSIFIED

UNCLASSIFIED

PAGE 06 STATE 130282

14. AP MONTREAL CITES SATURDAY MONTREAL STAR REPORT THAT CANADA HAS DECIDED IT WILL NO LONGER COOPERATE WITH GRC IN FIELD OF NUCLEAR DEVELOPMENT. NEWSPAPER

SAID DECISION APPARENTLY WAS MADE AFTER ASSESSMENT OF HOW SUCH COOPERATION WOULD AFFECT OTTAWA'S RELATIONS WITH PRC. CANADA HAS HELPED GRC BUILD RESEARCH REACTOR THAT WENT INTO OPERATION ABOUT YEAR AGO, AND TAIWAN POWER CO. FOLLOWED THIS UP WITH REQUEST TO CANADIAN ENGINEERS TO STUDY INSTALLATION OF TWO-MILLION-KILOWATT STATION IN ISLAND. GRC ALREADY HAS FOUR US-TYPE REACTORS UNDER CONSTRUCTION, ACCORDING NEWSPAPER (S-N, 6/17).

15. GRC MILITARY SPOKESMAN SAYS TWO SQUADRONS OF US PHANTOM JETS ASSIGNED TO TAIWAN IN LATE 1972 "WILL BE SUCCESSIVELY WITHDRAWN" IN DUE TIME. SPOKESMAN EXPLAINED F-4 FIGHTERS HAD BEEN SENT TO GRC TO FILL GAP IN AIR DEFENSES WHEN TAIWAN LENT US FIGHTERS FOR VN USE IN 1972 (WP TAIPEI). -

16. SPOKESMAN OF CHINA EXTERNAL TRADE DEVELOPMENT COUNCIL SAID MONDAY THAT GRC'S EXPORT OF PLASTIC SHOES IS EXPECTED TO REACH 200 MILLION DOLS THIS YEAR. SAID US, BIGGEST CUSTOMER FOR TAIWAN-MADE PLASTIC SHOES, HAS IMPORTED ABOUT 60 MILLION DOLS WORTH OF FOOTWEAR IN PAST FIVE MONTHS (UPI, JOC).

17. FIVE COMMISSIONERS OF US CONSUMER PRODUCT SAFETY

COMMISSION AGREE THAT OBJECTIONS FROM TAIWAN AND US FIREWORKS MANUFACTURERS PRESENT SUFFICIENT JUSTIFICATION TO CALL PUBLIC HEARING ON ITS EARLIER DECISION TO BAN SALE AND MANUFACTURE OF FIRECRACKERS AFTER JUNE 17. DELAY ASSURES JULY 4 FIREWORKS SALES IN US (AP WP, PHINQ; NYT).

JAPAN/CHINA

18. CHINA HAS OFFERED TO INCREASE CRUDE OIL EXPORTS TO JAPAN FROM 2.5 TO 4 MILLION TONS, ACCORDING KYODO NEWS SERVICE. OFFER SAID TO HAVE BEEN MADE WHILE UNCLASSIFIED

UNCLASSIFIED

PAGE 07 STATE 130282

JAPANESE INDUSTRY MISSION RECENTLY VISITED JAPAN. NEGOTIATIONS FOR ADDITIONAL CRUDE TO BEGIN IN NEAR FUTURE (UPI, JOC).

19. JAPAN CALLED ON PEKING TO CEASE A-TESTING, RESERVING RIGHT TO CLAIM COMPENSATION FOR DAMAGE (REUTERS).

JAPAN

20. JOC'S CULLISON REPORTS JAPAN EXPECTED TO TURN TO EASY-TERM FINANCING BY THIS AUTUMN TO BOOST DOMESTIC NEW CAR SALES. SUCH SALES OFF 45 PERCENT FROM LAST MAY.

INDUSTRY EXTREMELY WORRIED. MITI OFFICIALS DESCRIBE PROBLEM AS GRAVE ONE, POSING DANGER NOT ONLY TO CAR INDUSTRY, BUT FOR THOUSANDS OF SUB-CONTRACTORS AS WELL. SITUATION MADE WORSE BY 40 PERCENT DROP IN AMERICAN SALES AS WELL, DUE TO PRICE RISES. MANY JAPANESE AUTOS CLEARLY NO LONGER COMPETITIVE ON U.S. MARKETS. AND THERE ARE WIDESPREAD RUMORS THAT FURTHER PRICE RISE MAY BE IMPOSSIBLE TO AVOID.

21. JAPANESE STEEL CORPORATIONS LAUNCH MASSIVE CAPITAL INVESTMENT RACE IN NEW PLANTS AND EQUIPMENT EXPANSION. CONSIDERING NEW BLAST FURNANCES IN 5,000 CUBIC-METER RANGE, WITH CAPACITY OF 12,000 TONS OF PIG IRON/DAY OR MORE. MITI HAS NOT YET GRANTED APPROVAL FOR CONSTRUCTION, BUT APPROVAL CONSIDERED ONLY MATTER OF TIME. NEEDED TO MEET PROJECTED ANNUAL DEMAND OF 145-155 MILLION TONS BY 1977. GOVERNMENT INDUSTRIAL STRUCTURE COUNCIL PIG IRON, STEEL AND INDUSTRIAL FUNDING SUBCOMMITTEES ALREADY DEVELOPING CONCRETE PROGRAMS IN SUPPORT OF CONSTRUCTION (JOC).

22. CSM'S GUIDRY REPORTING ON THE JOINT COMMITTEE FOR ECON DEVELOPMENT REPORTS ISSUED BY U.S. AND JAPAN,

EMPHASIZES U.S. CED'S EVALUATION OF JAPAN'S ECONOMY.
IT PREDICTS CLOSER LINKS IN NEXT DECADE BETWEEN JAPAN
AND DEVELOPING SE ASIA COUNTRIES. SAYS US, JAPAN,
EUROPE ECONOMIES AT "CRITICAL POINT" FOR SETTING NEW
DIRECTION. REPORTS JAPANESE MANUFACTURING DIVERSIFIED,
UNCLASSIFIED

UNCLASSIFIED

PAGE 08 STATE 130282

EFFICIENT, PRODUCING HIGH QUALITY GOODS, WITH HIGHLY-
TRAINED LABOR FORCE, RECEPTIVE TO LEARNING NEW SKILLS.
BUT SAYS HOUSING, SOCIAL PROGRAMS LAG IN RELATION
TO NEEDS. CLAIMS GOJ MORE INVOLVED IN BUSINESS
DECISION-MAKING, "A MAJOR DISORDER OF THE INTERNATIONAL
MARKET MECHANISM." SAYS JAPANESE SYSTEM FEATURING
LIFE-TIME EMPLOYMENT REDUCED JOB MOBILITY, BREEDS
COMPLACENCY AMONG EMPLOYEES. BUT SUGGESTS U.S. SHOULD
GIVE SERIOUS THOUGHT ON WHETHER JAPANESE POLICY ON
INDUSTRIAL CONCENTRATION NOT "MORE APPROPRIATE TO
MODERN CONDITIONS" THAN AMERICA'S.

23. U.S WILL PROPOSE MORATORIUM ON COMMERCIAL WHALING
AT IWC MEETING. SOME US CONSERVATIONISTS THREATEN
TO BOYCOTT JAPANESE GOODS UNLESS JAPAN ACCEDES TO THEIR
DEMAND FOR AN IMMEDIATE HALT TO KILLING. TEN YEAR
MORATORIUM--VIEWED BY JAPAN AS VIRTUALLY INSURING
PERMANENT END TO JAPANESE WHALING -- VOTED BY UN IN 1972,
BUT NON-BINDING. WHILE DOUBTING PASSAGE OF MORATORIUM
THIS YEAR, JAPAN'S WHALING ASSOC. SAID IT WOULD ABIDE

BY ANY IWC DECISION BASED ON SCIENTIFIC DATA (REUTERS).

24. FIFTY-TWO AMERICAN SAILORS FROM CARRIER MIDWAY
JUMPED SHIP IN YOKOSUKA. SAID TO PROTEST RACIAL
DISCRIMINATION, LONG WORKING HOURS. NAVY SPOKESMAN
REPORTS 9 HAVE RETURNED TO BASE (UPI WP).

INDONESIA

25. PERTAMINA, INDONESIA'S STATE OIL CO. AND PHILLIPS
PETROLEUM REPORT NATURAL GAS DISCOVERY IN TELUK
BERAU PRODUCTION-SHARING AREA IN IRIAN JAYA (JOC).
FORTY-ONE FOREIGN COMPANIES, MAINLY AMERICAN, CURRENTLY
OPERATE IN INDONESIA'S OIL INDUSTRY. TOTAL OIL
PRODUCTION IS 1.45 MILLION BARRELS/DAY, MOST GOING
TO JAPAN (REUTERS WP).

KOREA

26. NK NEWS AGENCY ACCUSES U.S. OF "IGNITING ANOTHER
UNCLASSIFIED

UNCLASSIFIED

PAGE 09 STATE 130282

FRATRICIDAL WAR IN KOREA." DEMANDS WITHDRAWAL OF U.S. TROOPS FROM S. KOREA AND END TO INTERFERENCE IN AREA'S INTERNAL AFFAIRS (REUTERS CSM).

27. SK POLICEMAN, TWO MILITAMEN, AND TOWN EMPLOYEE KILLED SON ISLAND OFF SOUTHWESTERN KOREAN COAST IN FIGHT AGAINST WHAT DEFENSE MINISTRY DESCRIBES AS 3 NK AGENTS (UPI BALT NA 6/17).

FRENCH A-TEST

28. NEW ZEALAND JOINED WITH AUSTRALIA AND JAPAN IN PROTESTING FRENCH BLAST -- DESCRIBED BY PM KIRK AS A "SIZABLE EXPLOSION," ABOUT 20 KILOTON. PREDICTS THAT LATER HYDROGEN BOMB TO BE DROPPED FROM PLANE. SOURCE OF INFORMATION ON TEST -- DESCRIBED BY AUSTRALIAN OFFICIAL AS "INFALLIBLE" -- SUSPECTED TO BE WARSHIPS OF EITHER UK, AMERICAN, AUSTRALIAN, OR NEW ZEALAND NAVIES MONITORING TESTS. AUSTRALIAN PM WHITLAM'S PROTESTS STRONGER THAN LAST YEAR'S, ANGERED BY FRENCH DISREGARD FOR ICJ INTERIM INJUNCTION BARRING FURTHER FRENCH TESTS. FRENCH REFUSE COMMENT. CUSTOMARILY WAIT UNTIL END OF SERIES BEFORE ANNOUNCING TESTS. EARLIER, GOVT. SOURCES SAID SERIES TO BE SIX BLASTS, TO BE FRANCE'S LAST ATMOSPHERIC TESTS. NOW DRILLING TUNNELS AT MURUROA AND FANGATAUFA ATOLLS IN PREPARATION FOR FUTURE UNDERGROUND TESTING (UPI CHITRIB, PHINQ; AP BALT N-A, 6.17; NYDN; SUN; CSM; REUTERS; NYT).

29. THE AUSTRALIAN COUNCIL OF TRADE UNIONS ANNOUNCED MARITIME AND ASSOCIATED UNIONS TO IMPOSE BAN ON FRENCH SHIPPING. APPLIES TO ALL FRENCH SHIPPING EXCEPT VESSELS SERVICING COUNTRIES AND ISLANDS IN PACIFIC (REUTERS).

COMMENT AND ANALYSIS

CHINA

30. TORONTO STAR FOREIGN AFFAIRS COLUMNIST, MARK GAYN, UNCLASSIFIED

UNCLASSIFIED

PAGE 10 STATE 130282

SEES GROWING CHILL IN SINO-US RELATIONS (LAT JUNE 16). SAYS JUST AS 9TH PARTY CONGRESS IN 1969 WAS ESSENTIAL PRELUDE TO ACCOMMODATION WITH AMERICANS,

10TH CONGRESS LAST AUGUST HERALDED ITS WEAKENING. RECALLS THAT WHILE CHOU AT LATTER CONGRESS ASSURED PARTY FAITHFUL THAT RELATIONS WITH US "HAVE BEEN IMPROVED TO SOME EXTENT," HE ALSO ARGUED THAT US WAS "INCREASINGLY ON THE DECLINE." GAYN VIEWS ONE FACTOR CONTRIBUTING TO GROWING CHILL TO BE PEKING'S UNCERTAINTY ABOUT PRES NIXON'S FUTURE. CHINESE POLICY-MAKERS ARE INTENSELY INTERESTED IN INTRICACIES OF US POLITICS, AND IN PROSPECTS FOR TOMORROW. HUANG HUA, AND HIS WIFE (SPECIALIST IN US AFFAIRS), ARE KNOWN TO BE CHOU'S OWN WATCHFUL - AND VERY BUSY - OBSERVERS OF US POLITICAL SCENE. AND NCNA CORRESPONDENTS IN N AMERICA MAKE LITTLE EFFORT TO CONCEAL THEIR CURIOSITY ABOUT STRANGE HAPPENINGS IN WASHINGTON AND ABOUT IMPACT THESE MIGHT HAVE ON US POLICY AND RELATIONS WITH CHINA AND USSR.

BUT IN PAST FEW MONTHS, PEKING HAS MOVED FROM CURIOSITY TO SHARP CRITICISM. PRC LEADERS HAVE BECOME INCREASINGLY BLUNT IN CONDEMNING US "PLUNDER" OF UNDERDEVELOPED COUNTRIES, ITS ALLEGED COLLUSION WITH SOVIET "RENEGADE CLIQUE" IN DECEIVING ARABS, AND ALLEGED US FORAYS INTO SABOTAGE AND SUBVERSION. DENUNCIATIONS NOT LIMITED TO US FOREIGN POLICY - COMMENTARIES ON US DOMESTIC SCENE WHICH WERE COMMON IN LATE 1960S ARE AGAIN EXPRESSED; THEIR RETURN NOW IS SIGNIFICANT. GAYN CITES AS MOST EXTRAORDINARY EXAMPLE OF NEW ANTI-AMERICANISM, SERIES OF PROPAGANDA RALLIES IN MARCH REVOLVING AROUND WARTIME SINO-AMERICAN TECHNICAL COOPERATION ORGANIZATION (SACO).

GAYN ATTRIBUTES ANTI-AMERICANISM TO PEKING'S UNHAPPINESS ABOUT ACCOMMODATION WITH US. TAIWAN ISSUE REMAINS UNRESOLVED - AND WASHINGTON UNACCOUNTABLY SENT SENIOR DIPLOMAT UNGER AMBASSADOR TO TAIPEI. AND FOR ALL HONIED WORDS TO PEKING, HAK TO THIS DAY MAKES DETENTE WITH USSR CORNERSTONE OF US FOREIGN POLICY. PRC LEADERS ARE ALSO OFFENDED BY THEIR UNCLASSIFIED

UNCLASSIFIED

PAGE 11 STATE 130282

TOTAL - AND ALMOST CONTEMPTUOUS - EXCLUSION FROM ROLE IN ME CRISIS; SO, HARDLY SURPRISING TO HEAR

CHOU IN FEBRUARY HEAP SCORN ON PRES' ROSY VISION OF "A GENERATION OF PEACE."

MAIN EXPLANATION FOR REVIVED ANTI-AMERICANISM, HOWEVER, LIES IN PRC'S INTERNAL STRESSES RELATED TO POWER STRUGGLE BETWEEN "OLD REVOLUTIONARIES" LED BY CHOU AND RADICALS, FOR MAO'S MANTLE. AT MOMENT,

"OLD REVOLUTIONARIES" STILL SHAPE POLICY. BUT THEY ARE UNDER CONSTANT PRESSURE BY BOLD AND IMAGINATIVE RADICALS. FEW "OLD REVOLUTIONAIRES" CAN BE UNAWARE THAT TIME IS ON SIDE OF THEIR RIVALS; RADICALS ARE YOUNGER AND TEN YEARS HENCE, WITH MOST OF MAO'S "ORIGINAL COMRADES-IN-ARMS" GONE, POWER MAY AUTOMATICALLY FALL INTO HANDS OF RADICAL BREED.

GAYN THINKS IT FAIR ASSUMPTION THAT WHOEVER WINS STRUGGLE IN PEKING IS LIKELY TO CONTINUE ACCOMMODATION WITH US. IT WAS MEANT AS INSURANCE POLICY AGAINST WHAT CHINESE USED TO CALL IN BAD OLD 1960S, "THE WASHINGTON-MOSCOW AXIS." SO LONG AS MOSCOW AND PEKING REMAIN AT MURDEROUS ODDS, CHINESE RULERS WILL BE RELUCTANT TO LET INSURANCE POLICY LAPSE. BUT THEY SEEMINGLY NO LONGER THINK THEY HAVE TO BE FRIENDLY TOWARDS UNRECONSTRUCTED IMPERIALISTS.

31. LAT'S ELEGANT (JUNE 15) IN HK REFERS TO KWANGTUNG PROVINCIAL BROADCAST QUOTING ARTICLE BY SUPPLY UNIT OF "CANTON (MILITARY REGION) TROOPS," WHICH ATTACKED LIN PIAO. BROADCAST DISCLOSED THAT MAO HAS PERSONALLY DECIDED THAT "WE WILL NOT CHOOSE A CHIEF OF STATE." ACCORDING ARTICLE, MAO REJECTED LIN PIAO'S PROPOSALS, PRESUMABLY IN LATE 1960S AND EARLY 1970S, THAT NEW CHIEF OF STATE BE SELECTED TO REPLACE LIU SHAO-CHI. ACCORDING ELEGANT, FAILURE TO FILL POST OF CHIEF OF STATE HAS CONTRIBUTED GREATLY TO PRESENT UNREST IN CHINA. AS CONSEQUENCE OF GENERAL UNCERTAINTY REGARDING SUCCESSION TO MAO, POLITICAL ATMOSPHERE IS CLOUDED BY FACTIONAL QUARRELS AND STRUGGLES FOR UNCLASSIFIED

UNCLASSIFIED

PAGE 12 STATE 130282

POWER.

MAO'S DECISION HAS ALSO MADE CHOU'S POSITION EXCEEDINGLY DIFFICULT. AT 10TH PARTY CONGRESS LAST AUGUST, CHOU PROMISED THAT SESSION OF NPC, FIRST SINCE 1954, WOULD BE HELD SOON. BUT NPC COULD HARDLY MEET WITHOUT DESIGNATING NEW CHIEF OF STATE. WITH MAO OPPOSED TO THAT, NPC CANNOT BE CONVENED. CHOU'S ATTEMPT TO STABILIZE INTERNAL SITUATION BY SYMBOLIC SESSION AND BY FILLING VACANT OFFICES HAS, THEREFORE, BEEN BLOCKED. MAO'S DECISION IS CONSISTENT WITH

HIS PREVIOUS ACTIONS; CLEAR THAT HE IS RELUCTANT TO CREATE POLITICAL FIGURE WHO COULD, EVEN PARTIALLY, RIVAL HIS OWN SUPREME PRESTIGE. BROADCAST CITES MAO AS BELIEVING THAT "PROLETARIAN DICTATORSHIP, SOCIALISM AND THE DEMOCRATIC CENTRALISM OF THE COMMUNIST

PARTY" ARE BETTER SERVED BY ABSENCE OF CHIEF OF STATE.

ELEGANT SAYS KWANGTUNG'S REVELATION OF MAO'S POSITION REVEALS FURTHER LAYERS WITHIN LAYERS. MILITARY-SPONSORED ARTICLE IS OSTENSIBLY ATTACK ON LIN PIAO, BUT CANTON REMAINS STRONGHOLD OF LIN SUPPORTERS AMONG THE GENERALS. CHINA SPECIALIST THEREFORE FEEL THAT REVELATION WILL, PERHAPS INTENTIONALLY, INJURE BOTH MAO AND CHOU IN EYES OF MASSES AND PARTY OFFICIALS.

MAO'S UNCOMPROMISING STAND AGAINST SELECTING CHIEF OF STATE WILL BE SEEN BY INTELLIGENT CHINESE AS DELIBERATE PERPETUATION OF PRESENT UNSTABLE SITUATION. POLITICAL INSTABILITY AT TOP, WITH ACCOMPANYING DANGER OF VIOLENCE, DIRECTLY AFFECTS DAILY LIFE OF PEOPLE AND THREATENS RESUMPTION OF MASS VIOLENCE SUFFERED DURING GPCR. FURTHER, CHOU IS PARTIALLY DISCREDITED; INABILITY TO CONVENE NPC AS PROMISED TEN MONTHS AGO ALREADY HAS HURT HIS IMAGE. NOW CHINESE ARE LEARNING THAT MAO HIMSELF HAS PREVENTED CHOU FROM TAKING STEP. EVIDENCE OF DISSENSION AT HIGHEST LEVEL IS CALCULATED TO INCREASE CONFIDENCE IN NEITHER PRESENT GOVT. NOR FUTURE.

UNCLASSIFIED

UNCLASSIFIED

PAGE 13 STATE 130282

32. IN LAT'S JUNE 16 ISSUE, ELEGANT OBSERVES PHENOMENON OF PRC MASKING POLICY DEBATES BEHIND SATIRE. SAYS IMPASSIONED WORDS SUBSTITUTE FOR OPEN CLASHES IN POWER STRUGGLE; INSTEAD OF RESORTING TO EITHER MOB ACTION OR MILITARY FORCE AS THEY HAVE IN PAST, CONTENDING FACTIONS ARE TRYING TO UNDERMINE EACH OTHER BY COMPLEX ARGUMENTS. THEIR PURPOSE IS TO STAKE OUT BEST POSSIBLE POSITION FOR DECISIVE STROKE WHEN MAO DIES. ELEGANT THINKS THAT WHILE 2ND GPCR IS MUCH TALKED ABOUT AT HOME AND ABROAD, REPETITION OF GPCR HAS BEEN TEMPORARILY POSTPONED OWING TO GENERAL FEAR AMONG LEADERSHIP AND TO WIDESPREAD APATHY AMONG MASSES. ANOTHER NATIONWIDE HOLOCAUST COULD BREAK OUT AT ANY TIME, BUT IS UNLIKELY IN IMMEDIATE FUTURE BECAUSE THOSE CONTENDING FOR SUPREME POWER ARE AFRAID TO RELEASE FORCES THAT COULD COMPLETELY ESCAPE THEIR CONTROL - AS CHINESE PEOPLE DID IN 1960S. FEARFUL OF ANOTHER BOUT OF MASS DESTRUCTION, PEOPLE THEMSELVES ARE STAYING OUT OF PRESENT STRUGGLE. VIOLENCE AND "MASS ACTIONS" HAVE OCCURRED RECENTLY,

BUT ARE ISOLATED.

ANOTHER MAJOR REASON FOR ARMISTICE IS RELATIVE WEAKNESS OF SINGLE MOST AGGRESSIVE FACTION. LEFTISTS

HAVE MOST TO GAIN BY UNDERMINING PRESENT MODERATE GOVT., BUT THEIR POWER BASE IS VERY NARROW; THEY EXERCISE LITTLE INFLUENCE IN GOVT. OR ARMY. HOWEVER, LEFTISTS DO WIELD MAJOR INFLUENCE IN INFORMATION MEDIA AND ARTS; AND BECAUSE CHIANG CHING IS STILL CZARINA OF CULTURE, PRESS AND THEATER USE SYMBOLIC ANIMALS AND HISTORIC ALLUSIONS TO ASSAULT MEN WHO HOLD REAL POWER.

CHOU HAS DELIBERATELY PERMITTED HIS ENEMIES TO SPEAK OUT. HE HAS NOT COMMITTED TACTICAL ERROR THAT DESTROYED LAST TWO LEADERS WHO WERE SECOND IN FORMAL POWER ONLY TO MAO. HE HAS AVOIDED COUNTERATTACKS THAT WOULD TRANSFORM VERBAL DISPUTES INTO PHYSICAL CLASHES. LEFTISTS, FOR THEIR PART, KNOW THAT MUCH OF CHIANG CHING'S INFLUENCE WILL PASS WHEN MAO DIES. THEY ARE, THEREFORE, DESPERATELY SEEKING TO ENLARGE UNCLASSIFIED

UNCLASSIFIED

PAGE 14 STATE 130282

THEIR POWER BASES IN PLA AND CENTRAL AND PROVINCIAL GOVTS. CHIANG CHING IS PERSONALLY WOOING GENERALS, SO FAR, WITH LITTLE SUCCESS. BY GENERAL AGREEMENT, PRACTICAL ECON AND FOREIGN POLICIES HAVE BEEN LARGELY UNAFFECTED BY POWER STRUGGLE.

MACAO

33. IN CONTEXT LISBON REVOLT, NYT'S ISAACS IN MACAO REPORTS THAT PRC IS PERFECTLY CONTENT WITH PORTUGUESE COLONY'S STATUS QUO AND HAS NO INTENTIONS TO SEEING IT CHANGED - WHICH IS TRIUMPH OF CHINESE PRAGMATISM OVER IDEOLOGY SINCE CHINA IS BELIEVED TO DERIVE ABOUT 60 MILLION DOLS/YEAR IN FOREX FROM EXPORTS THROUGH MACAO, LOCAL SALES OF CHINESE GOODS AND REMITTANCES FROM CHINESE RESIDENTS. CHINA ALSO HAS ALL POLITICAL INFLUENCE IN MACAO IT WANTS. SINCE JAN. 1967, WHEN CHINESE RIOTS FORCED PORTUGUESE AUTHORITIES TO ACCEPT HUMILIATING DEMANDS INCLUDING COMPENSATION TO RIOT VICTIMS, RETURN OF REFUGEES FLEEING CHINA AND EXPULSION OF ALL TAIWAN-CONNECTED CHINESE, PORTUGAL'S POWER HAS BEEN CLEARLY EXERCISED AT PRC'S SUFFERANCE.

IT WAS PRESENT GOV., THEN NEWLY ARRIVED, WHO WAS FORCED TO SIGN 1967 AGREEMENT, AND MEMORY OF THAT TRIUMPH MAY BE ONE OF REASONS PRC WANTS TO KEEP HIM IN OFFICE. HO YIN, PEKING'S AGENT IN MACAO,

HAS ISSUED PUBLIC DECLARATIONS OF SUPPORT FOR GOV. ODD ALLIANCE OF COMMUNIST AGENT AND RIGHT-WING GOV.

PUTS CHILL ON POLITICAL MOVEMENT CALLED MACAO DEMOCRATIC CENTER THAT EMERGED AFTER LISBON COUP. DR. ROSA, PRES. OF ORGANIZING COMMITTEE OF MDC AND VETERAN CLANDESTINE MEMBER OF PRO-MOSCOW PORTUGUESE COMMUNIST PARTY, REMAINS ADAMANTLY OPPOSED TO GOVT., BUT OTHER MDC MEMBERS ARE COOPERATING WITH ADMINISTRATION. ACCOMMODATION HAS QUIETED "PRO-DEMOCRACY" CAMPAIGN IN NEWLY LIBERATED PRESS, AND HAS APPARENTLY ENDED COLONY'S MOST SERIOUS OUTBREAK OF UNREST.

UNCLASSIFIED

UNCLASSIFIED

PAGE 15 STATE 130282

KOREA

34. CSM'S POND IN TOKYO REPORTS APPEARANCE OF HINTS THAT ROKG WILL RELEASE TWO JAPANESE CITIZENS NOW BEING TRIED FOR VIOLATING SK POLITICAL LAWS. HOWEVER, THERE IS NO HINT OF CONCILIATION IN KIM DAE JUNG CASE, WHICH REMAINS BONE OF CONTENTION BETWEEN SEOUL AND TOKYO. FINAL SETTLEMENT OF THESE CASES WILL DEPEND ON HOW SUCCESSFULLY SEOUL AND TOKYO WALK RESPECTIVE TIGHTROPE THEY SET FOR THEMSELVES. ROKG STILL HOPES TO CONVINCE SK DOMESTIC AUDIENCE THAT TWO JAPANESE ARE GUILTY LINK BETWEEN ANTI-GOVT. STUDENT DEMONSTRATORS AND FOREIGN COMMUNIST - WHILE AT SAME TIME PLACATING GOJ SUFFICIENTLY (BY RELEASING TWO ARRESTED JAPANESE) TO GET JAPAN TO DROP KIM ISSUE. ON TOKYO SIDE, TIGHTROPE IS TO PRESS ROKG TO RELEASE TWO JAPANESE AND KIM - BUT NOT PRESS HARD ENOUGH TO GIVE SEOUL BACKLASH ISSUE OF JAPANESE INTERFERENCE IN KOREAN AFFAIRS.

INDICATIONS THAT ROKG MAY RELEASE TWO JAPANESE AFTER SENTENCING INCLUDE COMMENTS MADE BY "WELL INFORMED POLITICAL CIRCLES" TO SEOUL CORRESPONDENT OF NIHON KEIZAI. CORRESPONDENT QUOTED HIS INFORMANT ON JUNE 16 AS SEEING POSSIBILITY THAT TWO JAPANESE WOULD BE FREED BY PRESIDENTIAL AMNESTY AFTER SENTENCING. KOREAN BROADCASTING ALSO REPORTED THAT AT END OF THEIR FIRST COURT HEARING ON JUNE 15, BOTH ARRESTED JAPANESE EXPRESSED SATISFACTION WITH "TRUTHFUL AND CAREFUL TRIAL," SAID THEY WERE SOUL-SEARCHING ABOUT THEIR "GRAVE OFFENSES TO" SK, AND ASKED FOR LENIENCY.

POND SAYS NO SUCH WORDS WERE REPORTED BY JAPANESE DIPLOMAT AT TRIAL - BUT THESE WORDS COULD SAVE FACE FOR ROKG BY MAKING IT APPEAR THAT AMNESTY INITIATIVE CAME FROM ACCUSED. SHE NOTES THAT ACCORDING JAPANESE ACCOUNTS OF TRIAL, BOTH JAPANESE ADMITTED

THEY HAD LITERALLY VIOLATED APRIL 3 EMERGENCY DECREE,
BUT DENIED KEY CHARGE - THAT THEY WERE AGITATING
SK STUDENTS TO OVERTHROW ROKG ON ORDERS OF JCP AND
UNCLASSIFIED

UNCLASSIFIED

PAGE 16 STATE 130282

CHOSEN SOREN. THIS CONTRADICTS KOREAN VERSION THAT
JAPANESE ADMIT CHARGES IN COURT. DIFFERENCE IS
CRUCIAL SINCE FOREIGN OBSERVERS IN SEOUL BELIEVE
ROKG'S ORIGINAL PURPOSE IN ARRESTING TWO JAPANESE
WAS TO DISCREDIT ANTI-GOVT. STUDENT MOVEMENT BY
TARRING IT AS "COMMUNIST-LED." SOURCES SAY STUDENTS
MOVEMENT CLEARLY NOT LINKED TO COMMUNISTS AND THAT
ONLY WAY ROKG COULD ESTABLISH SUCH LINK WAS BY INVOLVING
FOREIGNERS IN CASE.

INDICATIONS THAT ROKG MIGHT LIKE TO RELEASE
ARRESTED JAPANESE TO BLUNT JAPANESE REQUEST FOR
RELEASE OF KIM APPEARED IN RECENT PRESS INTERVIEW
BY CHANG KEY YOUNG, ACTING CO-CHAIRMAN OF SK-NK
COORDINATING COMMITTEE. HE TOLD MAINICHI THAT IF
KOREA HAD ANY DEBT TO JAPAN OVER KIM'S ABDUCTION,
THEN PERHAPS DEBT COULD BE PAID IN HANDLING OF ARRESTED
JAPANESE.

35. CSM REFERS TO KIM DAE CHUNG TRIAL AND NEW HARSH
DECREES AGAINST POLITICAL OPPOSITION WHICH PROVIDE
DEATH PENALTY FOR STUDENT DEMONSTRATORS. SAYS PARK
HAS SHOWN HIMSELF VERY SENSITIVE TO CRITICISM OF
HIS REGIME IN WEST. CRITICISM IS DIRECTED AGAINST
HIS POLICE-STATE METHODS AND COURSE OF REPRESSION
ON WHICH HE HAS EMBARKED. MAINTAINS PARK HAS IT
IN HIS POWER TO REVERSE THAT COURSE.

JAPAN

36. LAT'S JAMESON (JUNE 15) IN TOKYO REPORTS TANAKA
36. JUN 14 MARKING OFFICIAL OPENING CAMPAIGN
FOR JULY 7 UPPER HOUSE ELECTION BY WARNING TOKYO
VOTERS THAT "WITH THE OPPOSITION IN CONTROL, NOTHING
CAN BE SOLVED." LEADERS OF SOCIALIST, NEO-BUDDHIST
KOMEI PARTY, COMMUNISTS, AND DSP, FOCUSED THEIR INITIAL
ATTACKS ON 25 PERCENT INCREASE IN CONSUMER PRICES
IN LAST 12-MONTHS - SINGLE MOST OUTSTANDING ISSUE
OF ELECTION. FOREIGN POLICY ISSUES NOT EXPECTED
TO FIGURE PROMINENTLY, ALTHOUGH RULING PARTY DEFEAT
WOULD PUT UPPER HOUSE IN HANDS OF 4 OPPOSITION PARTIES,
UNCLASSIFIED

UNCLASSIFIED

PAGE 17 STATE 130282

ALL WHICH FAVOR TO ONE EXTENT OR ANOTHER ABOLISHING
JAPAN'S SECURITY TREATY WITH US.

LDP GOES INTO ELECTION WITH THIN 8-SEAT MAJORITY
AND MUST DO AT LEAST AS WELL AS THREE YEARS AGO

JUST TO KEEP MORE THAN HALF OF 252 SEATS. REPETITION
OF 1971 VICTORIES IN 63 CONTESTS WOULD GIVE THEM
ONLY CLIFF-HANGING ONE-SEAT MAJORITY. TO BREAK
EVEN WITH THEIR 1971 AND CURRENT HOLDING OF 135
SEATS, LDP MUST WIN 7 MORE SEATS THAN 3 YEARS AGO.
OPPOSITION IN-FIGHTING AND SEVERE DECLINE IN JSP
STRENGTH EXPECTED, HOWEVER, TO GIVE TANAKA'S PARTY
BOOST IT NEEDS TO NAIL DOWN MAJORITY. OPPOSITION
PARTIES MANAGED TO PUT UNIFIED CANDIDATES IN ONLY
6 OF 47 PREFECTURAL DISTRICTS. ELSEWHERE, THEY
WILL BE DISSIPATING MUCH ANTI-CONSERVATIVE VOTE
AMONG THEIR OWN RIVAL CANDIDATES. POLITICAL ANALYSTS
EXPECT LDP TO HOLD ONTO AT LEAST 130 SEATS, INCLUDING
CARRYOVERS, OR 3 MORE THAN MAJORITY. MORE OPTIMISTIC,
TANAKA SAYS LDP COULD WIND UP WITH 150 SEATS.

THAILAND

37. LAT'S FOISIE (JUNE 16), IN ARTICLE DATED
BANGKOK (HE IS NOW LAT'S BUREAU CHIEF IN CAIRO),
OBSERVES THAT THAI CAPITAL HAS CORNERED MAJORITY
OF INTERNATIONAL INSTITUTIONS WHICH HAVE ESTABLISHED
HEADQUARTERS IN ASIA. LATEST TALLY SHOWS 13 MAJOR
UN AGENCIES HAVE LOCATED IN BANGKOK, AND THAT THEY
HAVE SPAWNED 47 SUBORDINATE OFFICES FOR PROJECTS
UNDER UN SPONSORSHIP. MOREOVER, THERE ARE DOZEN
OTHER NON-UN WORLD ORGANIZATIONS, AND SCORE OF REGIONAL
CENTERS FORMED BY ASIANS THEMSELVES. CONCENTRATION
OF WORLD GROUPS IN BANGKOK HAS CAUSED CIVIC-MINDED
THAIS TO PROCLAIM CITY "GENEVA OF THE EAST." REASONS
FOR CHOICE OF BANGKOK AS "GENEVA" ARE: LOCATION
AS HUB FOR AIR TRAVEL IN ANY DIRECTION; BANGKOK
HAS ALWAYS PROVIDED RELATIVELY CHEAP, COMFORTABLE
HOUSING FOR UN CIVIL SERVANTS; AND IT IS PLACE LESS
LIKELY TO PRODUCE SNUBS, PREJUDICES, HISTORICAL
UNCLASSIFIED

UNCLASSIFIED

PAGE 18 STATE 130282

IRRITANTS AND CUSSEDNESS UPSETTING TO MULTINATIONAL
COMMUNITY.

AUSTRALIA

38.CSM'S SOUTHERLAND IN BRISBANE DOES POST-MORTEM ON AUSSIE ELECTION. SAYS WHITLAM HAS BEEN RETURNED TO POWER BUT STILL FACES HOSTILE SENATE, WHICH CAUSED ELECTION IN FIRST PLACE. IN 127-MAN HOUSE, ALP MAJORITY REDUCED FROM 9 TO 7 SEATS. IN SENATE, ALP IMPROVED OVER ITS PREVIOUS TOTAL BUT STILL WON ONLY 29 OUT OF 60 SEATS - TWO SHORT OF NUMBER NEEDED TO GAIN SENATE CONTROL. ALP SETBACKS IN RURAL AREAS

AND FAILURE TO WIN SENATE MAJORITY MEAN WHITLAM WILL PROBABLY HAVE TO MOVE MORE CAUTIOUSLY IN PUSHING DOMESTIC PROGRAMS THAN HE WOULD LIKE. ANOTHER RESULT OF ELECTION HAS BEEN EMERGENCE OF SNEDDEN AS MORE CREDIBLE LEADER OF OPPOSITION; HE PERFORMED BETTER THAN MOST COMMENTATORS PREDICTED.

ALP WON RE-ELECTION IN HOUSE LARGELY BY CONSOLIDATING GAINS IN AND AROUND SYDNEY AND MELBOURNE WHICH BROUGHT IT TO POWER IN 1972. OPPOSITION WARNINGS ABOUT DANGERS OF "CREEPING SOCIALISM" UNDER ALP NOT TAKEN SERIOUSLY BY MOST VOTERS IN SYDNEY AND MELBOURNE. DLP, STAUNCHLY ANTI-SOCIALIST, LOST ALL 5 OF ITS SENATE SEATS AND WAS MAIN ELECTION CASUALTY. WHITLAM'S MAJOR ACCOMPLISHMENT IN ELECTION HAS BEEN TO CONVINCE MANY CAUTIOUS VOTERS THAT ALP DOES NOT LEAN TOO FAR TO LEFT AND DOES NOT DESIRE WHOLESALE NATIONALIZATION OF BUSINESSES AND INDUSTRIES. ONCE REGARDED AS PARTY REPRESENTING INDUSTRIAL WORKING CLASS ONLY, ALP HAS BECOME PARTY OF AUSTRALIA'S MIDDLECLASS SUBURBANITES.

SOUTHERLAND SEES GOVT. AS HAVING GAINED ONE PRACTICAL BENEFIT FROM ELECTION, WHICH APPEARS ON SURFACE MERELY TO HAVE RETURNED IT TO SQUARE ONE: IT NOW PERMITTED TO CALL JOINT SESSION OF BOTH HOUSES OF PARLIAMENT TO PASS SOME LEGISLATION BLOCKED IN UNCLASSIFIED

UNCLASSIFIED

PAGE 19 STATE 130282

SENATE. IN JOINT SESSION, GOVT. WOULD HOLD MAJORITY. HOWEVER, PROBLEM IS THAT SUCH JOINT SESSION WOULD BE UNPRECEDENTED, AND GOVT. IS CERTAIN TO FACE CHALLENGES BASED ON DIFFERENT INTERPRETATIONS OF CONSTITUTIONAL PROVISIONS FOR CONVENING JOINT SESSION. GOVT. MUST ALSO STILL PASS LEGISLATION ASSOCIATED WITH MAIN BILLS THROUGH AN OPPOSITION-CONTROLLED SENATE.

GOVT. SEEMS CONFIDENT OF BEING ABLE TO PASS, THROUGH JOINT SESSION, LEGISLATION ESTABLISHING PETROL AND MINERALS AUTHORITY. IT ALSO EXPECTED TO PASS TWO NATIONAL HEALTH BILLS, BUT ASSOCIATED

LEGISLATION NEEDED TO IMPLEMENT SOME ASPECTS OF GOVT'S. UNIVERSAL HEALTH INSURANCE PLAN WOULD HAVE TO COME BEFORE HOSTILE SENATE. ELECTORAL BILL DESIGNED TO REDUCE WEIGHTING OF ELECTORATE IN FAVOR OF OPPOSITION COUNTRY PARTY IS EXPECTED TO COME BEFORE JOINT SITTING. BUT LEGISLATION AUTHORIZING REDISTRIBUTION OF ELECTORATES WOULD HAVE TO PASS SENATE, EVEN IF MAIN BILL GOT THROUGH JOINT SESSION.

VIETNAM

39. JOHN CHAMBERLAIN (HEARST'S BALTO H-A JUNE 14) SEES LINK BETWEEN SEA AND ME. SAYS HAK HAS MADE IMPLIED PROMISES TO EGYPTIANS AND ISRAELIS THAT WILL REQUIRE CONTINUING FLOW OF ARMS TO ARMIES NOT OUR OWN. NOTES THAT SINCE USSR HAS MADE IT PLAIN THAT "DETENTE" IMPOSES NO RESTRICTIONS ON THEIR SUPPORT OF "LIBERATION" MOVEMENTS IN THIRD WORLD OR ME COUNTRIES, HAK MUST HAVE ASSURANCE THAT US CAN PLAY COUNTERING "SHORT OF WAR" POLITICS IF WE ARE NOT TO LOSE WORLD BY DEFAULT.

THUS NEED TO KEEP SVN FROM COLLAPSE BECOMES PSYCHOLOGICAL COUNTER IN US' "SHORT OF WAR" ME STRATEGY. IF WE DO LET GVN FALL BECAUSE OF ANY FAILURE TO PROVIDE SUFFICIENT FUNDS TO KEEP ITS AIR FORCE FLYING, LESSON WOULD NOT BE LOST ON DIPLOMATS IN CAIRO, TEL AVIV, OR, MOST IMPORTANT OF ALL, MOSCOW. CONGRESS IS TIRED OF SEA. BUT AMERICANS ARE NO LONGER BEING UNCLASSIFIED

UNCLASSIFIED

PAGE 20 STATE 130282

KILLED THERE. IF HAK DIPLOMACY IS TO BE SUCCESSFUL, IT REQUIRES CONTINUING PROOF THAT US CAN MATCH SOVIETS AND CHINESE IN "SHORT OF WAR" MANEUVERING. ABSENCE OF SUCH PROOF ON ANY STRATEGIC FRONT WILL BE QUICKLY FELT ON ALL FRONTS. AS INDOCHINA GOES, SO WILL ME, OR EVEN WE. CONCLUDES THAT IF SENATORS ARE GOING TO LET TOM HAYDEN AND JANE FONDA DO THEIR THINKING FOR THEM, OUR DIPLOMATIC VICTORIES OF PAST 6 YEARS WILL ALL GO UP IN SMOKE. SISCO

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS SUMMARIES
Control Number: n/a
Copy: SINGLE
Draft Date: 18 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE130282
Document Source: CORE
Document Unique ID: 00
Drafter: STAFF:PP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740159-0947
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740634/aaaabdbg.tel
Line Count: 915
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 17
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: smithrj
Review Comment: n/a
Review Content Flags:
Review Date: 01 NOV 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 NOV 2002 by martinml>; APPROVED <14 JAN 2003 by smithrj>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: JUNE 18 EA PRESS SUMMARY INDOCHINA
TAGS: PFOR, XC, US
To: SAIGON
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005